

WASHINGTON – Today, Congressman Tim Ryan (OH-17), a member of the House Budget Committee, released the following statement regarding the negotiations on a FY2011 Budget:

“We must find a path that puts the American workforce first, and put aside political rhetoric. A government shutdown is unacceptable and I am hoping the Tea Party Republicans—who were elected on a promise to NOT compromise—will change their mind and work with us,” said Congressman Tim Ryan. **“It hurts on all fronts: our military, the environment, and the pace of economic recovery all take a hit. I think we should forward, and House Republicans want to move backward.”**

In the result of a Government Shutdown, here are some of the impacts:

SHUTDOWN COULD PUT THE BRAKES ON ECONOMIC RECOVERY

Shutdown Could Cost the Economy \$8 Billion Every Week. According to independent, non-partisan analysis from Goldman Sachs, “If funding lapsed, non-essential services would shut down immediately, representing around \$8bn per week in missed federal spending...This would equate to \$32bn in annualized terms, or around 0.2% of GDP for each week of shutdown.” [ABC News,

[1](#) [2/23/1](#)]

15,000 Homeowners Could Be Prevented From Getting a Home Loan Every Week. Each week that the government is shutdown could prevent 15,000 homeowners from obtaining a FHA-guaranteed mortgage, based on January 2011 data. In January, the FHA originated 119,521 mortgages – more than half of which were new home purchases rather than refinances. During the 1996-96 shutdowns, the Federal Housing Administration was unable to insure single family home loans for tens of thousands of applicants. According to officials at the time, the FHA normally processed 2,500 mortgage loans a day. [Joint Economic Committee; FHA Single-Family Outlook,

[January 2011](#)

; Clinton Radio Address, 1/22/96; American Banker, 1/8/96]

Shutdown Could Delay 350 Export Licenses Every Week; \$2.2 Billion in U.S. Exports Were Held Up During Last Shutdown. During the 1995-96 shutdowns, approximately \$2.2 billion in U.S. exports couldn't leave the country because the Department of State and Bureau of Export Administration were unable to issue more than 1,000 export licenses. In FY 2010, the Commerce Department processed 21,660 export license applications valued at approximately \$66.2 billion. Based on that rate, Commerce could delay issuing approximately 350 export licenses to U.S. businesses every week during a shutdown. [Committee on Government Reform and Oversight, 12/6/95; U.S. Department of Commerce, Bureau of Industry and Security,

[FY10 Annual Report](#)

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More Than 1,000 Small Business Loans Could Be Delayed Every Week. The Dallas

Morning News reported that, during the 1995-96 shutdowns, “More than \$ 1 million in loans to small businesses were delayed because the Small Business Administration couldn't guarantee loans.” In all, approximately 5,200 small businesses were delayed in receiving SBA guaranteed financing during the last shutdowns. On average in 2011, SBA has approved more than 1,000 7(a) and ARC loans every week, the processing of which could be delayed by a shutdown. [Dallas Morning News, 1/13/96; Committee on Government Reform and Oversight, 12/6/95; [SBA Weekly Lending Report](#)]
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Tourists Spend \$11.9 Billion a Year Visiting National Parks, Benefiting Local Economies; During Last Shutdown, 368 National Parks Closed. During the 1995-96 shutdowns, “Closure of 368 National Park Service sites (loss of 7 million visitors) reportedly occurred, with loss of tourism revenues to local communities; and closure of national museums and monuments (reportedly with an estimated loss of 2 million visitors) occurred.” National parks support nearly 270,000 private-sector jobs and. In 2009, the 285.6 million visitors to national parks spent \$11.89 billion in the local areas around the parks, with a total economic effect of \$14.4 billion in sales, \$4.8 billion in labor income, and \$8.0 billion in value added. [CRS, [2/18/11](#)]
; National Park Service,
[January 2011](#)

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(Table A-4) for economic impact of visitors to national parks in each state

During Last Shutdown, 200,000 Passport Applications Went Unprocessed. During the 1995-96 shutdowns, “Approximately 20,000-30,000 applications by foreigners for visas reportedly went unprocessed each day; 200,000 U.S. applications for passports reportedly went unprocessed; and U.S. tourist industries and airlines reportedly sustained millions of dollars in losses.” [CRS, [2/18/11](#)]
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SHUTDOWN COULD DELAY BENEFITS FOR SENIORS, VETERANS & MILITARY FAMILIES

Shutdown Would Impose Financial Hardships on Military and Civilian Personnel. With military families already facing military deployments and other hardships, a government shutdown could make the situation even worse. While most service members and military personnel would remain on duty through a shutdown, their paychecks could be delayed. [Stars and Stripes, [3/13/11](#)]
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More Than 400,000 Veterans Saw Their Disability, Pension or Educational Benefits Delayed. During the 1995-96 shutdowns, more than 400,000 veterans saw their disability benefits and pension claims delayed, while educational benefits were delayed for 170,000

veterans. [Army Times, [2/3/11](#) ; CNN, [1/4/96](#)]

More Than 100,000 New Social Security Claims Were Delayed. In just four days during the 1995 shutdown, 112,000 claims for Social Security retirement and disability benefits were not taken and 800,000 callers were denied service on SSA's 800 number. [SSA

[History](#)

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Clinical Trials and Disease Surveillance Were Halted. During the 1995-96 shutdowns, "New patients were not accepted into clinical research at the National Institutes of Health (NIH) clinical center; the Centers for Disease Control and Prevention ceased disease surveillance; hotline calls to NIH concerning diseases were not answered." [CRS,

[2/18/11](#)

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Services to 1.2 Million People With Disabilities Were Interrupted. During the 1995 and 1996 shutdowns, the Department of Education's Office of Special Education Programs had no staff. A spokesman said that "services to an estimated 1.2 million people with disabilities were interrupted during the shutdown, and severe cash disruptions occurred in the federal-state rehabilitation system and the vocational rehabilitation system... The disruptions caused a trickle-down effect. Arkansas had to lay off 490 state employees in the state vocational rehabilitation program due to a disruption in federal support, and Texas suspended services for two days to 6,000 blind clients of its vocational rehabilitation program, he said." [Special Educator, 2/2/96]

SHUTDOWN COULD LEAVE AMERICA LESS SECURE

Hiring of New Border Patrol Agents Was Delayed. During the 1995-96 shutdowns, "cancellation of the recruitment and testing of federal law enforcement officials reportedly occurred, including the hiring of 400 border patrol agents; and delinquent child-support cases were delayed." [CRS, [2/18/11](#)]

SHUTDOWN COULD INCREASE OUR DEPENDENCE ON FOREIGN OIL

Offshore Oil Rigs Were Idled. "The International Association of Drilling Contractors estimates the 20 day shutdown in December and January idled 24 offshore rigs for periods ranging from 2 to 7 days at a cost of \$ 20,000-100,000/day. IADC estimated losses to the offshore industry at \$ 7.8 million in the Gulf of Mexico alone during this period." [Oil & Gas Journal, 2/12/96]

DEPARTMENT OF DEFENSE

"...During a lapse in appropriations, some DOD personnel would be "excepted" from furloughs, including most or all uniformed military personnel, while others would not be permitted to work. Even "excepted" military and civilian personnel who would continue to work and whose pay is normally provided through annual appropriations would not be paid, however, until after appropriations are subsequently provided for that purpose."

